

City of Springfield
Regular Meeting

MINUTES OF THE SPECIAL REGULAR MEETING OF
THE SPRINGFIELD CITY COUNCIL HELD
TUESDAY, JUNE 27, 2006

The City of Springfield Council met in special regular session in the Jesse Maine Room, 225 Fifth Street, Springfield, Oregon, on Tuesday, June 27, 2006 at 5:30 p.m., with Council President Woodrow presiding.

ATTENDANCE

Present were Councilors Woodrow, Ballew, Fitch, Lundberg, and Pishioneri. Also present were City Manager Gino Grimaldi, Assistant City Manager Cynthia Pappas, City Attorney Joe Leahy, City Recorder Amy Sowa and members of the staff.

Mayor Leiken and Councilor Ralston were absent (excused).

1. Supplemental Budget Resolution.

RESOLUTION NO. 06-31 - A RESOLUTION ADJUSTING RESOURCES AND REQUIREMENTS IN THE GENERAL FUND, SPECIAL REVENUE FUND, TRANSIENT ROOM TAX FUND, BUILDING CODE FUND, DEVELOPMENT PROJECTS FUND, URBAN RENEWAL DISTRICT FUND, AMBULANCE FUND, INSURANCE FUND, AND VEHICLE AND EQUIPMENT FUND.

Budget Officer Bob Brew presented the staff report on this item. At various times during the fiscal year the Council is requested to make adjustments to the annual budget to reflect needed changes in planned activities, to recognize new revenues, or to make other required adjustments. These adjustments to resources and requirements which change the current budget are processed through supplemental budget requests that the Finance Department schedules on an annual basis.

This is the fourth of four scheduled FY06 supplemental requests to come before Council. The supplemental budget being presented includes: adjusting resources and requirements in the General Fund, Special Revenue Fund, Transient Room Tax Fund, Building Code Fund, Development Projects Fund, Urban Renewal District Fund, Ambulance Fund, Insurance Fund, and Vehicle and Equipment Fund.

The City Council is asked to approve the attached Supplemental Budget Resolution.

The overall financial impact of the Supplemental Budget Resolution is to decrease total appropriations by \$1,313,882.

This meeting continues a public hearing opened on June 19, 2006. An advertisement for the initial meeting was found to contain significant errors, so the public hearing was re-advertised for June 27th and the Mayor directed the record remain open until that date.

Mr. Brew discussed the significant items listed in the supplemental budget.

Councilor Ballew asked what the City Hall projects included.

Mr. Brew said one included improvements in the computer server room.

Network Manager Shawn Zweibhomer said the voltage requirements for the servers had changed. The battery backup system currently in use had been in place for approximately eighteen years. When preparing for the replacement, other issues arose that needed to be addressed to conform to the fire code. He said the bulk of the cost was for the battery back-up system, which was about \$61,000.00.

Mr. Brew said the other item was capital project costs related to Fire Station 1 for the mold issue.

Council President Woodrow continued the public hearing.

1. Fred Simmons, 312 South 52nd Place, Springfield, OR Mr. Simmons said one of the major issues he had a concern about was the SEDA loan. He said he agreed with Mr. Brew to separate the funds. When the City provided staff work for SEDA, they should be invoiced in a timely fashion, not at the end of the fiscal year on June 30. He said billings to that agency should be done quarterly. He said the IGA expired on June 30, so some housekeeping items needed to be taken care of. If not, the agreement was not in force to pay the City. He asked Council to look at some of the details.

Mr. Leahy said Community Development Manager John Tamulonis had provided the City Attorney' office with the agreements to be amended to reflect the next fiscal years. Staff would do a three-year agreement to fulfill this Council's wishes. The agreement would be reviewed again at that time.

Councilor Ballew asked if the services provided could be billed within a reasonable amount of time.

Mr. Brew said staff was preparing a bill for the last quarter of 2006 now. Their plan was to go quarterly up to this point, but costs had been minimal, so there was no urgency.

Councilor Ballew asked if the new agreement would be coming to Council soon.

The new contract would be coming to Council for consideration on July 17.

Councilor Woodrow noted that during the SEDA meeting this was discussed. The SEDA Board would first approve the amended agreement followed by Council.

Mr. Leahy said both a resolution and an amendment to the agreement would come to Council and would be retroactive to July 1.

Council President Woodrow closed the public hearing.

IT WAS MOVED BY COUNCILOR BALLEW WITH A SECOND BY COUNCILOR LUNDBERG TO ADOPT RESOLUTION NO. 06-31. THE MOTION PASSED WITH A VOTE OF 5 FOR AND 0 AGAINST (1 ABSENT – Ralston).

2. City Liability Insurance Renewal.

Human Resources Director Bill Spry and Human Resources Manager Ardis Belknap presented the staff report on this item. The City contracts for liability, property and workers compensation coverage on an annual basis and seeks renewal bids in anticipation of the June 30 contract expirations. Currently the carrier for City liability insurance is Trident, Affiliated FM Insurance Company for property coverage, and SAIF for workers compensation. The City's insurance broker, JBL&K, has received acceptable renewal proposals for property and workers compensation coverage. Bids for liability coverage were received June 22, 2006. In May of this year, the City was notified by Trident that they would not renew coverage for the City's Law Enforcement Liability. While only part of the City's liability coverage, Law Enforcement Liability represents a significant area of overall risk. JBL&K has aggressively sought bids over the past three months for Law Enforcement Liability as a separate contract and for liability coverage including Law Enforcement Liability, with no success. Typically the City would have bids for liability coverage secured earlier in the renewal cycle.

The City County Insurance System (CCIS) submitted a proposal for coverage to the City on June 22. Staff reviewed the proposal and recommends Council authorize the City Manager to execute the contract with CCIS for liability insurance coverage.

The following table illustrates premiums for the current plan year expiring June 30, 2006, and quoted/recommended premiums for plan year beginning July 1, 2006.

Coverage	Expiring Premium	CCIS Quote (Liability and Auto)
Property (Affiliated)	\$101,662	\$100,907
General & law Liability	\$185,603	\$298,615
Auto	\$69,939	\$102,795
Excess Liability	\$45,334	(Included)
Crime (St. Paul)	\$3905	\$3905
Crime Pension trust (Zurich)	\$400	\$500
Liability Aggregate Deductible Credit	N/A	(75,000)
Risk Management Allowance	N/A	(32,641)
Total	\$406,843	\$399,081

The most substantive difference with cost impact between current liability coverage and the coverage proposed by CCIS is the deductible. Tridents coverage provides for a per claim deductible \$2,500 general and \$5,000 for employment and law enforcement, versus a \$100,000 aggregate deductible with CCIS. Premiums for fiscal year 2007 are included in current approved budget. The City is still analyzing data to asses the potential impact of the change in deductibles on the fiscal year 2007 budget.

Mr. Spiry said staff was recommending Council move forward with the contract with CCIS based on the bid received and reviewed with Council.

IT WAS MOVED BY COUNCILOR BALLEW WITH A SECOND BY COUNCILOR LUNDBERG TO AUTHORIZE THE CITY MANAGER TO MOVE FORWARD WITH OUR NEEDED INSURANCE CARRIER. THE MOTION PASSED WITH A VOTE OF 5 FOR AND 0 AGAINST (1 ABSENT – Ralston).

ADJOURNMENT

The meeting was adjourned at 5:42 p.m.

Minutes Recorder Amy Sowa

Sidney W. Leiken
Mayor

Attest:

Amy Sowa
City Recorder